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HB 40 Expenditures for Tourism, Recreation, Cultural and Convention Facilities and Activities

Utah Code §§17-31-5.5; 17-31-8; 59-12-603 **Effective Date May 1, 2006**

This bill requires an audit of and report on the use of tourism, recreation, cultural, and convention facilities tax funds imposed by the legislative body of a county; modifies provisions related to the composition and duties of county tourism tax advisory boards; provides that the report on the use of transient room tax funds and tourism, recreation, cultural, and convention facilities tax funds shall include a breakdown of expenditures of the tax funds into designated categories; provides that a copy of the report shall be forwarded to the Governor's Office of Economic Development, the county's tourism tax advisory board, and the Office of the Legislative Fiscal Analyst; and makes certain technical changes.

HB 47 Sales Tax Diversion for Water Projects and Water Financing

Utah Code §§59-12-103; 59-12-1201; 72-2-124 **Effective Date July 1, 2006**

The bill requires that certain state sales and use tax revenues be transferred to the Water Resources Conservation and Development Fund and used by the Division of Water Resources for preconstruction costs for certain water projects; requires that certain state sales and use tax revenues be transferred as dedicated credits to and used by the Division of Water Rights for hiring staff; requires that certain state sales and use tax revenues be transferred as dedicated credits to and used by the Department of Natural Resources for watershed rehabilitation or restoration; requires that certain state sales and use tax revenues be transferred as dedicated credits to and used by the Department of Water Resources for cloud seeding; addresses the treatment of unexpended funds; and makes technical changes.

HB 51 Sales and Use Taxation of Amusement Devices and Cleaning or Washing of Tangible Personal Property

Utah Code §§59-1-403; 59-12-102; 59-12-103; 59-12-104; 59-12-105 **Effective Date July 1, 2006**

This bill amends the Sales and Use Tax Act to address the sales and use taxation of the right to use or operate an amusement device and the cleaning or washing of tangible personal property.

This bill provides definitions of "assisted amusement device," "assisted cleaning or washing of tangible personal property," and "unassisted amusement device"; repeals the definition of "coin-operated amusement device"; modifies the sales and use taxation of sales or rentals of the right to use or operate certain amusement devices; modifies the sales and use taxation of cleaning or washing of tangible personal property; and makes technical changes.

HB 52 Sales and Use Tax Exemption for Transportation

Utah Code §§59-1-403; 59-12-102; 59-12-103; 59-12-104; 59-12-104.5; 59-12-105 **Effective Date July 1, 2006**

This bill repeals from the state and local sales and use tax base amounts paid to certain persons for transportation; repeals certain sales and use tax exemptions relating to transportation to reflect the repeal of amounts paid to certain persons for transportation in the sales and use tax base; and makes technical changes.

HB 54 Sales and Use Tax Exemption for Sales of Certain Agricultural

Products

Utah Code §§59-12-102; 59-12-104 **Effective Date July 1, 2006**

This bill provides definitions; repeals a requirement that certain agricultural products be locally grown to be exempt from sales and use taxation; addresses who may sell agricultural products for purposes of eligibility for the sales and use tax exemption; and makes technical changes.

HB 109 Sales and Use Tax - Food and Food Ingredients

Utah Code §§11-41-102; 59-12-102; 59-12-103; 59-12-108 **Effective Date January 1, 2007**

This bill defines terms; reduces the state sales and use tax rate imposed on food and food ingredients under certain circumstances; addresses the state sales and use tax rate imposed on a bundled transaction involving food and food ingredients or if a seller sells food and food ingredients and prepared food at the same location; addresses the amount that a business location that collects and remits sales and use taxes monthly may retain as a seller discount; and makes technical changes.

This bill appropriates \$6,000,000 from the General Fund for fiscal year 2006-07 only to the State Tax Commission for distribution to certain sellers to reimburse some of their costs in complying with the reduced sales and use tax rate imposed on food and food ingredients.

HB 112 Transportation Investment Act

Utah Code §§59-12-103; 72-2-124 **Effective Date July 1, 2006**

This bill provides that a portion of the sales and use tax revenue shall be deposited annually into the Centennial Highway Fund Restricted Account; provides that the portion of the sales and use tax revenue that is deposited annually into the Centennial Highway Fund Restricted Account shall be deposited annually in the Transportation Investment Fund of 2005 when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account; authorizes the Transportation Investment Fund of 2005 monies to be used for certain purposes; and makes technical changes.

HB 193 Sales and Use Tax Funding for Health Care

Utah Code §§59-12-801; 59-12-802

Effective Date July 1, 2006

This bill provides definitions; modifies definitions; expands the purposes for which a county of the sixth class may expend revenues generated by a county option sales and use tax for rural health care to include:

- emergency medical services;
- federally qualified health centers;
- freestanding urgent care centers;
- or rural health clinics;

addresses the purposes for which a county of the third, fourth, or fifth class may expend revenues generated by this tax; and makes technical changes.

HB 198 Statewide 911 Emergency Communication Amendments

Utah Code §69-2-5.6 **Effective Date July 1, 2006**

This bill delays a decrease in the statewide unified E-911 emergency service charge in Subsection 69-2-5.6(1) from 13 cents to 8 cents until July 1, 2008.

HB 309 Municipal Energy Sales and Use Tax Amendments

Utah Code §10-1-307 **Effective Date July 1, 2006**

This bill enacts definitions; enacts provisions relating to a reduction in the municipal energy sales and use tax on the sale or use of natural gas; requires a reduction in the amount of the natural gas portion of the municipal energy sales and use tax revenues paid to municipalities in December 2006 and December 2007 in an amount equal to the amount by which sales tax revenues exceed the amount of the previous year's revenues plus 10%; requires gas suppliers to reduce the municipal energy sales and use tax rate in December 2006 and December 2007 to offset the reduction in the natural gas portion of the municipal energy sales and use tax revenues to municipalities; and enacts provisions related to the process for accomplishing those reductions.

HB 371 Transient Room Taxes Amendments

Utah Code §§17-31-2; 59-12-301. Repealed 10/1/06: 59-12-1601; 59-12-1602; 59-12-1603; 59-12-1604 **Effective Date July 1, 2006**

This bill increases the tax rate of the transient room tax for counties from a rate not to exceed 3% to a rate not to exceed 4.25%; addresses the expenditure of revenues generated by the transient room tax for counties; repeals the Transient Room Tax for Convention Facilities part (repeal date is October 1, 2006); and makes technical changes.

HB 4001 County Option Funding for Regionally Significant Transportation Infrastructure (Fourth Special Session)

Utah Code §§17-50-322; 59-12-102; 72-2-117.5; 72-2-121; 59-12-1701; 59-12-1702; 59-12-1703; 59-12-1704; 59-12-1705 **Amendments to §59-12-102 are effective January 1, 2007. Other amendments are effective September 20, 2006.**

This bill modifies the County powers, the Sales and Use Tax Act, and Transportation Finances Act to address transportation funding for counties. This bill:

1. Prohibits a county legislative body from using property taxes to fund fixed guideways (public transit facility that uses and occupies rail for the use of public transit; or a separate right-of-way for the use of public transit);
2. Authorizes a county legislative body to impose a local option sales and use tax of up to .25% beginning on or after April 1, 2007 for certain transportation uses, such as:
 - a project or service relating to a regionally significant transportation facility in the country;
 - new capacity or congestion mitigation if performed within a first-class or second-class county or is part of a metropolitan planning organization;
 - principal or minor arterial highway in a first- or second-class county that is part of the county and municipal master plan and part of the statewide long-range plan or the regional transportation plan of the area metropolitan planning organization. If for a fixed guideway or airport, is part of the regional transportation plan of the area metropolitan planning organization; or
 - a project or service that is on a priority list created by the county's council of governments and approved by the county legislative body;
- Requires a county imposing the tax to establish a prioritization process with weighted criteria;
- Requires at least 25% of the revenues collected in a county of the first class or county of the second class to be expended on corridor preservation; and
- Provides the purposes for which revenues collected for the tax may be expended:
 - revenues generated may only be expended for a project or service:
 - relating to a regionally significant transportation facility;
 - for the portion of the project or service that is performed within the county;
 - for new capacity or congestion mitigation if the project or service is performed within a county of the first or second class, or is part of an area metropolitan planning organization;

- Requires the Tax Commission to monthly transmit revenues to counties by electronic funds transfer. A county may request the Tax Commission transfer a portion of revenues directly to a public transit district designated by the county. The Tax Commission may retain the lesser of 1.5% or an amount equal to the Tax Commission's costs to administer the tax. Any amount the Tax Commission collects is placed in the Sales and Use Tax Administrative Fees Account.

SB 28 Sales and Use Tax - Exemption for Isolated or Occasional Sales

Utah Code §59-12-104 **Effective Date July 1, 2006**

This bill modifies the sales and use tax exemption for isolated and occasional sales to provide the circumstances under which the exemption applies; grants rulemaking authority to the State Tax Commission; and makes technical changes.

SB 29 Sales and Use Tax Exemption - Telecommunications

Utah Code §59-12-104 **Effective Date July 1, 2006**

This bill provides definitions; provides a sales and use tax exemption relating to certain telecommunications equipment, machinery, or software; and makes technical changes.

SB 30 Sales and Use Tax Exemption for Semiconductor Fabricating, Processing, Research, or Development Materials

Utah Code §§59-12-102; 59-12-104 **Effective Date July 1, 2006**

This bill modifies a definition relating to the sales and use tax exemption for certain semiconductor materials to include tangible personal property used or consumed primarily in the process of research or development of a semiconductor or semiconductor manufacturing process; repeals a repeal date relating to the sales and use tax exemption for certain semiconductor materials; repeals obsolete language; repeals reporting requirements to the Revenue and Taxation Interim Committee on this exemption; and makes technical changes.

SB 31 Sales and Use Tax - Manufacturing and Industry Exemptions Amendments

Utah Code §§59-12-102; 59-12-104 **Effective Date July 1, 2006**

This bill amends the Sales and Use Tax Act to modify exemptions relating to manufacturing and industry. This bill:

- expands the definition of "industrial use" so that the use of natural gas, electricity, heat, coal, fuel oil, or other fuels are exempt from sales and use taxation if used in producing certain forms of energy or steam by a cogeneration facility as defined in the Public Utilities title;
- expands the definition of "manufacturing facility" to include a cogeneration facility as defined under the Public Utilities title;
- addresses the requirements for a scrap recycler to be eligible for exemption from sales and use taxes;
- deletes a requirement that machinery and equipment be used in new or expanding operations in a manufacturing facility in the state to be eligible for exemption from sales and use taxes;
- provides that certain repair parts are exempt from sales and use taxes;
- deletes a requirement that parts be used to replace or adapt an existing machine to extend the normal estimated useful life of the machine to be eligible for exemption from sales and use taxes;
- provides that the exemption for a manufacturing facility that is a cogeneration facility applies to amounts paid on or after July 1, 2005, for a purchase or lease of certain items by a cogeneration facility that is placed in service on or after May 1, 2006;
- grants rulemaking authority to the State Tax Commission;
- modifies State Tax Commission rulemaking authority;
- repeals obsolete language; and
- makes technical changes.

SB 35 Local Option Sales and Use Tax Distribution Amendments

Utah Code §59-12-205 **Effective Date July 1, 2006**

This bill provides definitions; addresses the minimum amount of sales and use tax certain counties, cities, or towns shall receive for purposes of the 1% local option sales and use tax; and makes technical changes.

SB 89 Sales and Use Tax - Attachment of Tangible Personal Property to Real Property

Utah Code §59-12-102 **Effective Date July 1, 2006**

This bill amends a definition within the Sales and Use Tax Act. This bill modifies the definition of

"permanently attached to real property" to address the circumstances under which certain tangible personal property is or is not permanently attached to real property; and makes technical changes.

SB 179 Sales and Use Tax - Attachment of Tangible Personal Property to Real Property

Utah Code §59-12-102 **Effective Date July 1, 2006**

This bill amends sales and use tax exemptions to provide that sales of a vehicle or boat required to be registered in this state, or a boat trailer or outboard motor are exempt if the vehicle, boat, boat trailer, or outboard motor is both not:

- registered in this state; and
- used in this state except as necessary for transportation to the borders of this state;

and makes technical changes.

SB 233 Sales and Use Tax Revisions

Utah Code §§10-1-307; 10-1-405; 59-12-103; 59-12-103.1; 59-12-104.3; 59-12-105; 59-12-107; 59-12-107.1; 59-12-108; 59-12-110; 59-12-110.1; 59-12-204; 59-12-205; 59-12-207.4; 59-12-210; 59-12-302; 59-12-354; 59-12-401; 59-12-402; 59-12-403; 59-12-501; 59-12-502; 59-12-504; 59-12-603; 59-12-703; 59-12-802; 59-12-804; 59-12-1001; 59-12-1002; 59-12-1102; 59-12-1201; 59-12-1302; 59-12-1402; 59-12-1503; 59-12-1604; 63-51-4; 69-2-5; 59-12-102.2. Repeals 17A-2-1064; 59-12-102.1; 59-12-107.2; 59-12-107.3; 59-12-107.4; 59-12-107.5; 59-12-119; 59-12-121; 59-12-122; 59-12-207.1; 59-12-207.2; 59-12-207.3; 59-12-207.5; 59-12-303; 59-12-356; 59-12-404; 59-12-505; 59-12-604; 59-12-706; 59-12-807; 59-12-1003; 59-12-1103; 59-12-1303; 59-12-1404; 59-12-1504. **Effective Date July 1, 2006**

This bill amends the Sales and Use Tax Act and provisions relating to sales and use taxation. This bill:

- amends, enacts, and repeals provisions relating to determining the location of a transaction for sales and use tax purposes;
- requires the appointment of delegates to enter into multistate discussions relating to the Streamlined Sales and Use Tax Agreement and report to the Legislature;
- addresses the collection and remittance of sales and use taxes by a seller that does not have sufficient contacts with the state to be required to collect and remit sales and use taxes to the state;

- addresses the effective date of certain tax rate increases, repeals, or tax rate changes;
- establishes which state sales and use taxes shall be deposited into the General Fund;
- modifies and repeals provisions allowing the State Tax Commission to issue a direct pay permit to a seller;
- addresses the distribution of certain sales and use taxes to counties, cities, and towns;
- addresses the deposit of revenues into the Remote Sales Restricted Account;
- modifies provisions relating to a credit for a repossessed motor vehicle that is resold;
- modifies reporting requirements to the State Tax Commission and related penalty provisions;

- repeals the authority for the State Tax Commission to enter into the Streamlined Sales and Use Tax Agreement and repeals related provisions;
- repeals provisions relating to sellers and certified service providers including provisions relating to:
 - a certified service providers liability;
 - a seller of certified service providers reliance on State Tax Commission information or certain systems; or
 - monetary allowances;

- repeals provisions relating to amnesty;
- repeals requirements that certain returns be filed electronically;
- repeals tax collection, remittance, and reporting requirements for certain sellers;
- repeals provisions relating to a deduction for bad debt;
- repeals provisions establishing what constitutes a reasonable business practice for purposes of a seller collecting sales and use taxes that exceed the amount the seller is required to collect;

- repeals obsolete language; and
- makes technical changes.

SB 241 Natural Resources Development

Amends Utah Code §§59-5-101; 59-5-102; 59-12-102; 59-12-104; 59-12-104.5

Enacts Utah Code §§54-4-38; 59-5-120 **Effective Date July 1, 2006**

This bill defines terms; allows the Public Service Commission to approve long-term contracts for sales of natural gas derived from coal-to-liquid, oil shale, and tar sands technology; exempts sales of some property used in the research and development of coal-to-liquid, oil shale, and tar sands technology from sales and use tax; exempts from the oil and gas severance tax oil or gas that is produced, saved, sold, or transported and derived from:

- coal-to-liquids technology;
- oil shale;
- or tar sands;

and makes technical changes.